FORM 3

AMENDED REPORT ☐

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

APPLICATION FOR PERMIT TO DRILL

1. WELL NAME and NUMBER OP 2G-1-7-20	
2. TYPE OF WORK DRILL NEW WELL ● REENTER P&A WELL ○ DEEPEN WELL ○	**3. FIELD OR WILDCAT** BRENNAN BOTTOM
4. TYPE OF WELL Oil Well Coalbed Methane Well: NO	**5. UNIT or COMMUNITIZATION AGREEMENT NAME** OURAY PARK II
6. NAME OF OPERATOR QEP ENERGY COMPANY	**7. OPERATOR PHONE** 303 595-5919
8. ADDRESS OF OPERATOR 11002 East 17500 South, Vernal, Ut, 84078	**9. OPERATOR E-MAIL** julie.jacobson@qepres.com
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) UTU88140	**11. MINERAL OWNERSHIP** FEDERAL ● INDIAN ○ STATE ○ FEE ○
12. SURFACE OWNERSHIP FEDERAL ● INDIAN ○ STATE ○ FEE ○	
13. NAME OF SURFACE OWNER (if box 12 = 'fee')	**14. SURFACE OWNER PHONE (if box 12 = 'fee')**
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')	**16. SURFACE OWNER E-MAIL (if box 12 = 'fee')**
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')	**18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS** YES ○ (Submit Commingling Application) NO ●
19. SLANT VERTICAL ● DIRECTIONAL ○ HORIZONTAL ○	

20. LOCATION OF WELL	FOOTAGES	QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN
LOCATION AT SURFACE	256 FNL 2300 FEL	NWNE	1	7.0 S	20.0 E	S
Top of Uppermost Producing Zone	256 FNL 2300 FEL	NWNE	1	7.0 S	20.0 E	S
At Total Depth	256 FNL 2300 FEL	NWNE	1	7.0 S	20.0 E	S

21. COUNTY UINTAH	**22. DISTANCE TO NEAREST LEASE LINE (Feet)** 256	**23. NUMBER OF ACRES IN DRILLING UNIT** 40
	25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 2000	**26. PROPOSED DEPTH** MD: 7800 TVD: 7800
27. ELEVATION - GROUND LEVEL 4867	**28. BOND NUMBER** ESB000024	**29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE** 49-251/49-2153

Hole, Casing, and Cement Information

String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement	Sacks	Yield	Weight
Surf	12.25	9.625	0 - 550	36.0	J-55 ST&C	0.0	Class G	382	1.15	15.8
Prod	7.875	5.5	0 - 7800	17.0	N-80 LT&C	9.5	Halliburton Light , Type Unknown	477	3.54	11.0
							Halliburton Premium , Type Unknown	655	1.49	13.5

ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES

☑ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	☑ COMPLETE DRILLING PLAN
☐ AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)	☐ FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER
☐ DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)	☑ TOPOGRAPHICAL MAP

NAME Valyn Davis	**TITLE** Regulatory Affairs Analyst	**PHONE** 435 781-4369
SIGNATURE	**DATE** 04/07/2014	**EMAIL** Valyn.Davis@qepres.com

API NUMBER ASSIGNED 43047543830000 **APPROVAL**

Received: March 17, 2015

QEP Energy Company

OP 2G-1-7-20
New Vertical Well
Summarized Procedure

1. MIRU.
2. Drill 12 ¼" surface hole to 550'.
3. Run 9 5/8", 36#, J-55, STC casing and cement to surface.
4. NU rig's 3,000 WP rated BOP. Test BOP's and surface casing.
5. PU straight hole BHA.
6. Drill out surface casing and 10' of new formation. Perform FIT to 10.0ppg.
7. Drill 7 7/8" hole to 7,800'.
8. Circulate, POOH and LDDP.
9. Log well per geologist.
10. PU and run 5 1/2", 17.0#, N-80, LTC casing to TD, cement casing.
11. ND BOP's.
12. RDMOL.

Received: April 07, 2014

ONSHORE OIL & GAS ORDER NO. 1
QEP Energy Company
OP 2G-1-7-20

DRILLING PROGRAM

ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. Formation Tops

The estimated tops of important geologic markers are as follows:

Formation	Depth
Duchesne	Surface
Green River	3,600'
TD	7,800'

2. Anticipated Depths of Oil Gas Water and Other Mineral Bearing Zones

The estimated depths at which the top and bottom of the anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

Substance	Formation	Depth
Oil	Green River	3,600'

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

All water shows and water-bearing sands will be reported to the BLM in Vernal, Utah. Copies of State of Utah form OGC-8-X are acceptable. If flows are detected, samples will be submitted to the BLM along with any water analyses conducted. Fresh water will be obtained from Wonsits Valley water right # 49-251 (which was filed on May 7, 1964,) or Red Wash water right # 49-2153 (which was filed on March 25, 1960). It was determined by the Fish and Wildlife Service that any water right number filed before 1989 is not depleting to the Upper Colorado River System, to supply fresh water for drilling purposes. All water resulting from drilling operations will be disposed of at Red Wash Central Battery Disposal Site; SWSE, Section 27, T7S, R23E or Wonsits Valley Disposal Site; SWNW, Section 12, T8S, R21E.

Received: April 07, 2014

DRILLING PROGRAM

3. Operator's Specification for Pressure Control Equipment:

A. A 3,000 psi double gate, 3,000 psi annular BOP (schematic included) from surface casing point to total depth.

B. Functional test daily.

C. All BOP connections subject to pressure shall be flanged, welded or clamped.

D. Kill line (2" min), 2 choke line valves (3" min), choke line (3" min), 2 kill line valves (2" min) and a check valve, 2 chokes with one remotely controlled from rig floor and a pressure gauge on choke manifold.

E. Upper and Lower Kelly cock valves with handles and safety valve and subs to fit all drill string connections.

F. IBOP or float sub available.

G. Fill up line must be installed above the uppermost preventer.

H. All casing strings shall be pressure tested (0.2 psi/foot or 1500 psi, whichever is greater) prior to drilling the plug after cementing; test pressure shall not exceed the internal yield pressure of the casing.

I. Ram type preventers and associated equipment shall be tested to the approved stack working pressure if isolated by test plug or to 50 percent of internal yield pressure of casing whichever is less. BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc…, for a 3M system and individual components shall be operable as designed.

4. Casing Design:

Hole Size	Csg. Size	Top (MD)	Bottom (MD)	Wt.	Grade	Thread	Cond.	MW
17-1/2"	14"	sfc	40'	Steel	Cond.	None	Used	Air
12-1/4"	9-5/8"	sfc	550'	36.0	J-55	STC	New	Air
7-7/8"	5-1/2"	sfc	7,800'	17.0	N-80	LTC	New	8-9.5 ppg

Received: April 07, 2014

DRILLING PROGRAM

Casing Strengths:				Collapse	Burst	Tensile (min)
9-5/8"	36.0 lb.	J-55	STC	2,020 psi	3,520 psi	394,000 lb.
5-1/2"	17.0 lb.	N-80	LTC	6,290 psi	7,740 psi	348,000 lb.

MINIMUM DESIGN FACTORS:
COLLAPSE: 1.125
BURST: 1.10
TENSION: 1.80
Area Fracture Gradient: 0.65 psi/foot
Maximum anticipated mud weight: 9.5 ppg
Maximum surface treating pressure: 4,000 psi
Over pull margin (minimum): 100,000 lbs

5. **Cementing Program**

14" Conductor:
Cement to surface with construction cement.

9-5/8" Surface Casing: SFC – 550' (MD)
Tail Slurry: SFC – 550'. 382 sks (439 cu ft) Class G + 2% CaCl + 0.25 lb/sk Floccle. Slurry wt: 15.8 ppg, Slurry yield: 1.15 ft^3/sk, Slurry volume: 12-1/4" to TD with 150% excess.

5-1/2" Production Casing: sfc – 7,800' (MD)
Lead Slurry: 0' – 5,000'. 477 sks (1,690 cu ft) ECONOCEM (65 Type 2-5/35 poz cement) + 0.25 lbm/sk Poly-E-Flake (LCM) + 1 lbm/sk Granulite TR ¼ (LCM) + 5.0 lb/sk Kol-Seal(LCM). Slurry wt: 11.0 ppg, Slurry yield: 3.54 ft^3/sk, Slurry volume: 7-7/8" hole + 100% excess in open hole section.
Tail Slurry: 5,000' – 7,800'. 655 sks (976 cu ft) EXPANDACEM V3 (50/50 Poz G cement) + 0.2% HR-800 (Retarder) + 1 lbm/sk Granulite TR ¼ (LCM) + 0.125 lbm/sk Poly-E-Flake (LCM). Slurry wt: 13.5 ppg, Slurry yield: 1.49 ft^3/sk, Slurry volume: 7-7/8" hole + 100% excess.

*A bond log will be run across the zone of interest and across zones as required by the authorized officer to insure protection of natural resources.

Received: April 07, 2014

DRILLING PROGRAM

6. Auxiliary Equipment

A. Kelly Cock – yes

B. Float at the bit – no

C. Monitoring equipment on the mud system – visually and/or PVT/Flow Show

D. Full opening safety valve on the rig floor – yes

E. Rotating Head – yes

F. Request for Variance

Possibility of drilling surface hole with air or aerated fluid:

A variance from 43 CFR 3160 Onshore Oil and Gas Order #2, Section III Requirements, subsection E. Special Drilling Operations is requested for the specific operation of drilling and setting surface casing on the subject well with a truck mounted air rig. The variance from the following requirements of Order #2 is requested because surface casing depth for this well is 550' and high pressures are not expected.

1. **Properly lubricated and maintained rotating head** – A diverter system in place of a rotating head. The diverter system forces the air and cutting returns to the reserve pit and is used to drill the surface casing.
2. **Blooie line discharge 100 feet from wellbore and securely anchored** – the blooie line discharge for this operation will be located 50 to 70 feet from the wellhead. This reduced length is necessary due to the smaller location size to minimize surface disturbance.
3. **Automatic igniter or continuous pilot light on blooie line** – a diffuser will be used rather than an automatic pilot/igniter. Water is injected into the compressed air and eliminates the need for a pilot light and the need for dust suppression equipment.
4. **Compressors located in the opposite direction from the blooie line a minimum of 100 feet from the wellbore** – compressors located within 50 feet on the opposite side of the wellbore from the blooie line and is equipped with a 1) emergency kill switch on the driller's console, 2) pressure relief valves on the compressors, 3) spark arrestors on the motors.
5. **Well Kill Fluid** – A suitable amount of water and weighting agents will be available in the reserve pit during air drilling operations to kill the well, if necessary. No overpressured zones are expected in the area.

Received: April 07, 2014

DRILLING PROGRAM

6. **Deflector on the end of the blooie line** – Contractor will mount a deflector unit at the end of the blooie line for the purpose of changing the direction and velocity of the air and cuttings flow into the reserve pit. Changing the velocity and direction of the cuttings and air will preserve the pit liner. In the event the deflector washes out due to erosion caused by the sand blasting effect of the cuttings, there will be no problem because the deflector is mounted on the very end of the blooie. A washed out deflector will be easily replaced.
7. **Flare Pit** – there will be no need of a flare pit during the surface hole air drilling operation because the blooie line is routed directly to the reserve pit. When the big rig arrives for the main drilling after setting surface casing, a flare box will be installed and all flare lines will be routed to the flare box.

G. All other operations and equipment for air/gas drilling shall meet specifications in Onshore Order #2, Section III Requirements, subsection E. Special Drilling Operations and Onshore Order #1.

H. Drilling below the 9-5/8" casing will be done with water based mud. Maximum anticipated mud weight is 9.5 ppg.

I. No minimum quantity of weight material will be required to be kept on location.

J. Gas detector will be used from surface casing depth to TD.

7. Testing, logging and coring program

A. Cores – none anticipated

B. DST – none anticipated

C. Logging – Mud logging –Surf Casing to TD
GR-Resistivity via and LWD

D. Formation and Completion Interval: Green River intervals, final determination of completion will be made by analysis of logs.
Stimulation – Stimulation will be designed for the particular area of interest as encountered.

8. Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards

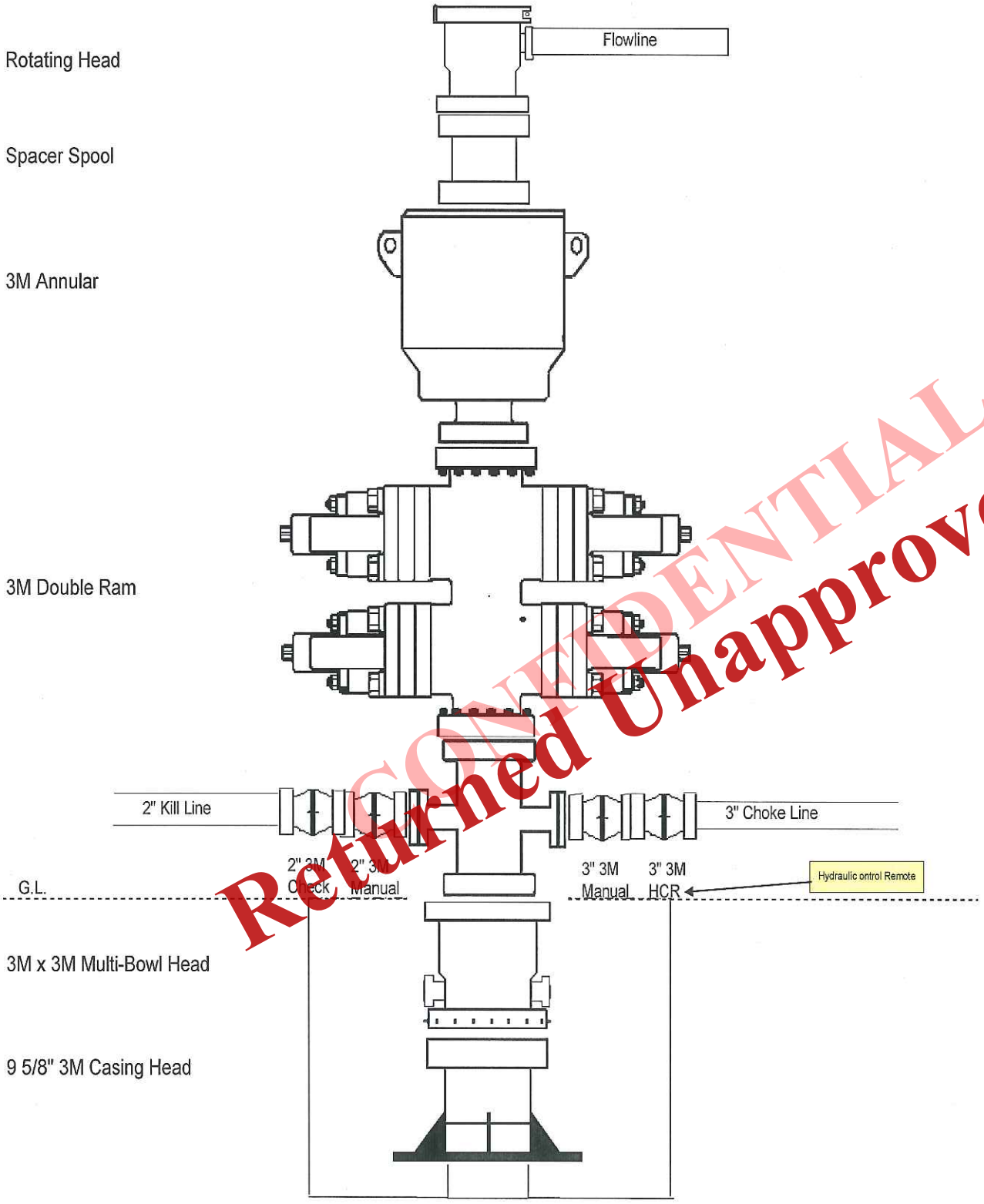
No abnormal temperatures or pressures are anticipated. No H2S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 3,800 psi. Maximum anticipated bottom hole temperature is 140° F.

Received: April 07, 2014

ONSHORE OIL & GAS ORDER NO. 1
QEP Energy Company
OP 2G-1-7-20

DRILLING PROGRAM

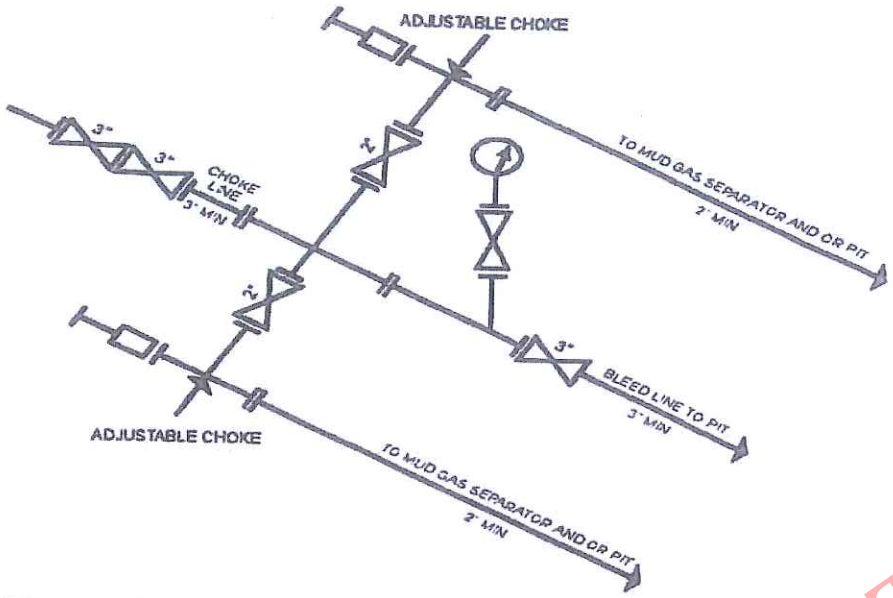
3M BOP STACK



Received: April 07, 2014

ONSHORE OIL & GAS ORDER NO. 1
QEP Energy Company
OP 2G-1-7-20

DRILLING PROGRAM



3M CHOKE MANIFOLD EQUIPMENT - CONFIGURATION OF CHOKES MAY VARY
[54 FR 39528, Sept. 27, 1989]

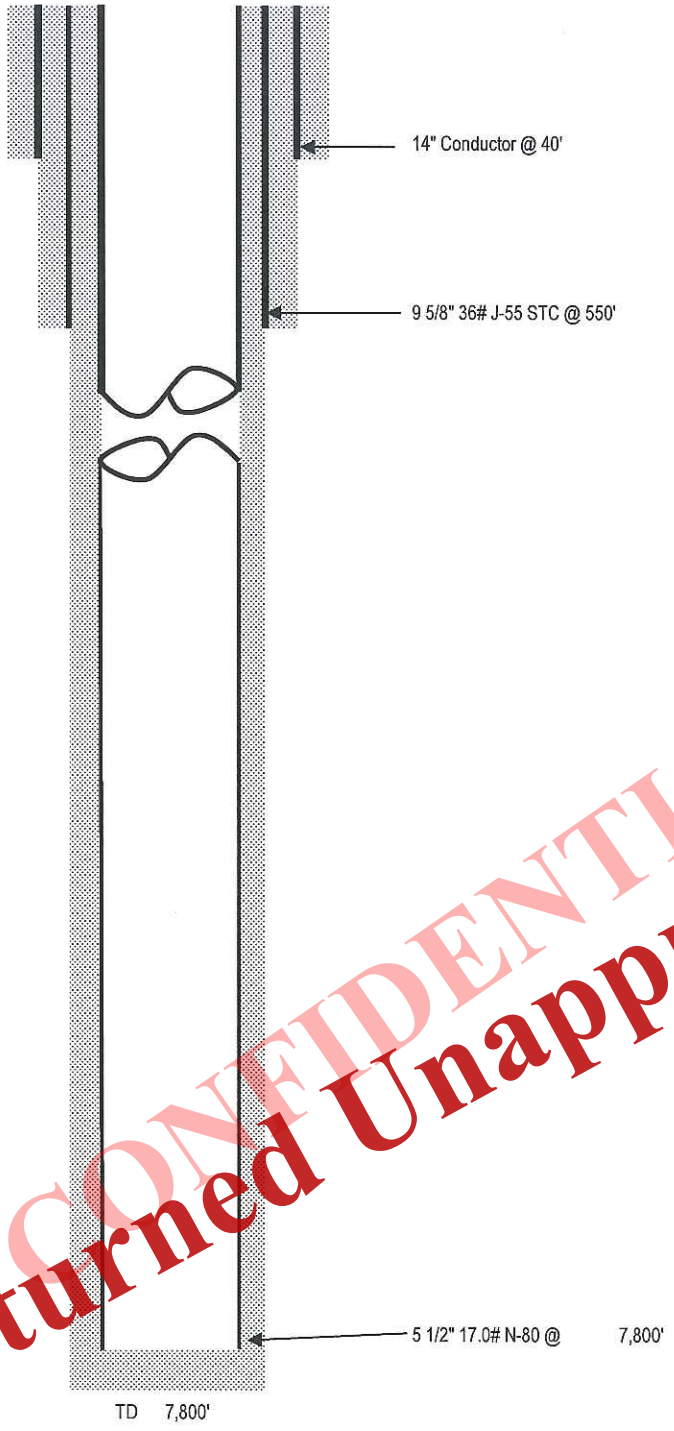
Received: April 07, 2014

Modified 01-06-2014 SHK

OP 2G-1-7-20
API #
Proposed WBD
Uinta Basin

Sec. 1 T7S-R20E, Uintah Co, UT
LOCATION: 256' FNL & 2300' FEL

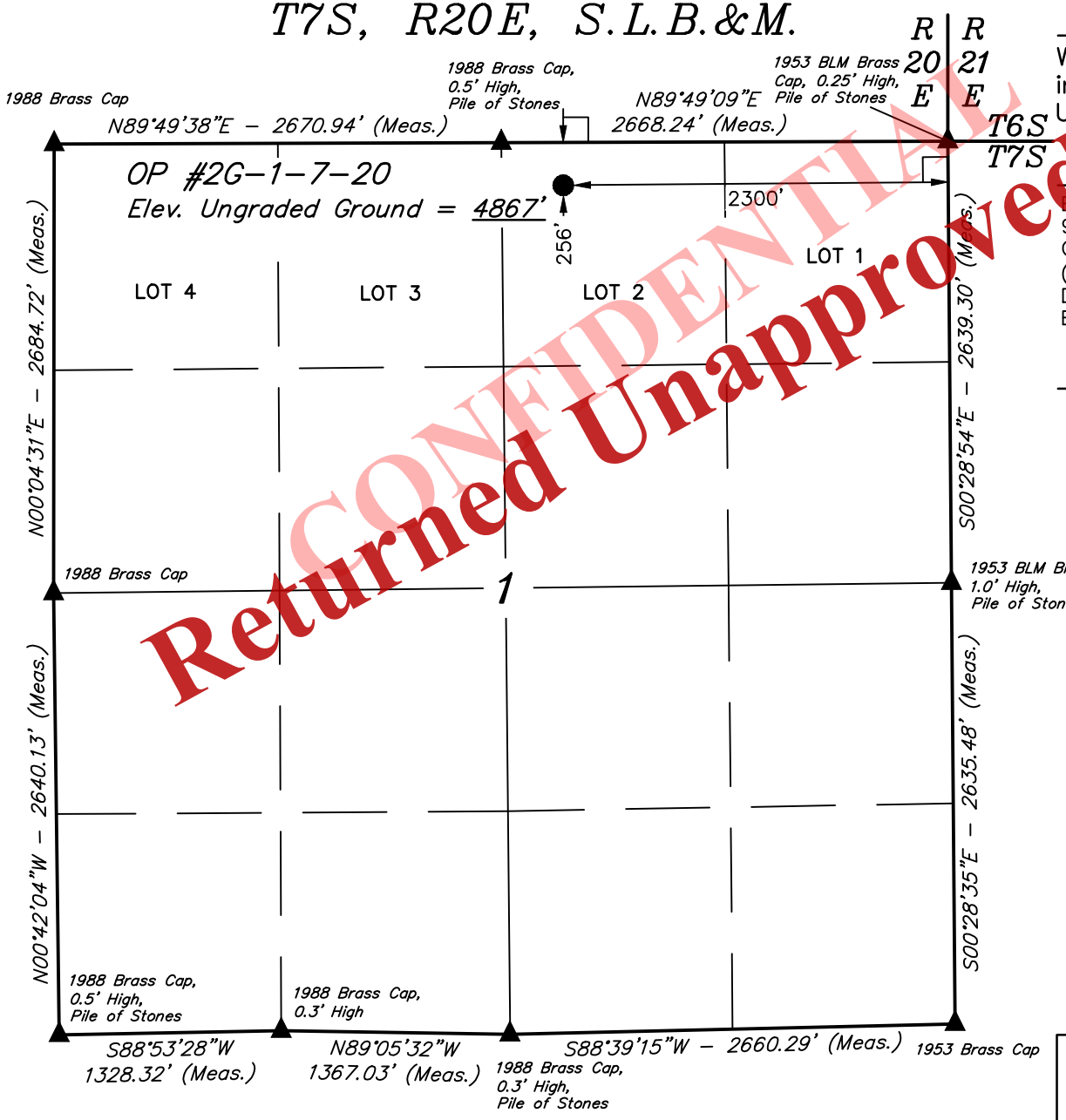
KB 4,896'
GL 4,866'



Received: April 07, 2014

QEP ENERGY COMPANY

Well location, OP #2G-1-7-20, located as shown in Lot 2 of Section 1, T7S, R20E, S.L.B.&M., Uintah County, Utah.

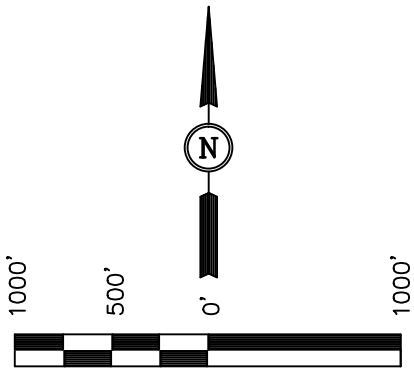


BASIS OF ELEVATION

BENCH MARK (38EAM) LOCATED IN THE SW 1/4 OF SECTION 9, T7S, R20E, S.L.B.&M. TAKEN FROM THE PELICAN LAKE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4942 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

REGISTERED LAND SURVEYOR No. 161319 ROBERT KAY STATE OF UTAH 06-13-13

LEGEND:

- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.

NAD 83 (SURFACE LOCATION)	
LATITUDE	40°14'48.67" (40.246853)
LONGITUDE	109°36'58.58" (109.616272)
NAD 27 (SURFACE LOCATION)	
LATITUDE	40°14'48.80" (40.246889)
LONGITUDE	109°36'56.08" (109.615578)
STATE PLANE NAD 83	
N: 7264179.33 E: 2166184.06	

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE	DATE SURVEYED:	DATE DRAWN:
1" = 1000'	05-06-13	06-07-13
PARTY: G.M. C.H. R.L.L.	REFERENCES: G.L.O. PLAT	
WEATHER: WARM	FILE: QEP ENERGY COMPANY	

Received: April 07, 2014

QEP ENERGY COMPANY

OP #2G-1-7-20

LOCATED IN UINTAH COUNTY, UTAH
SECTION 1, T7S, R20E, S.L.B.&M.

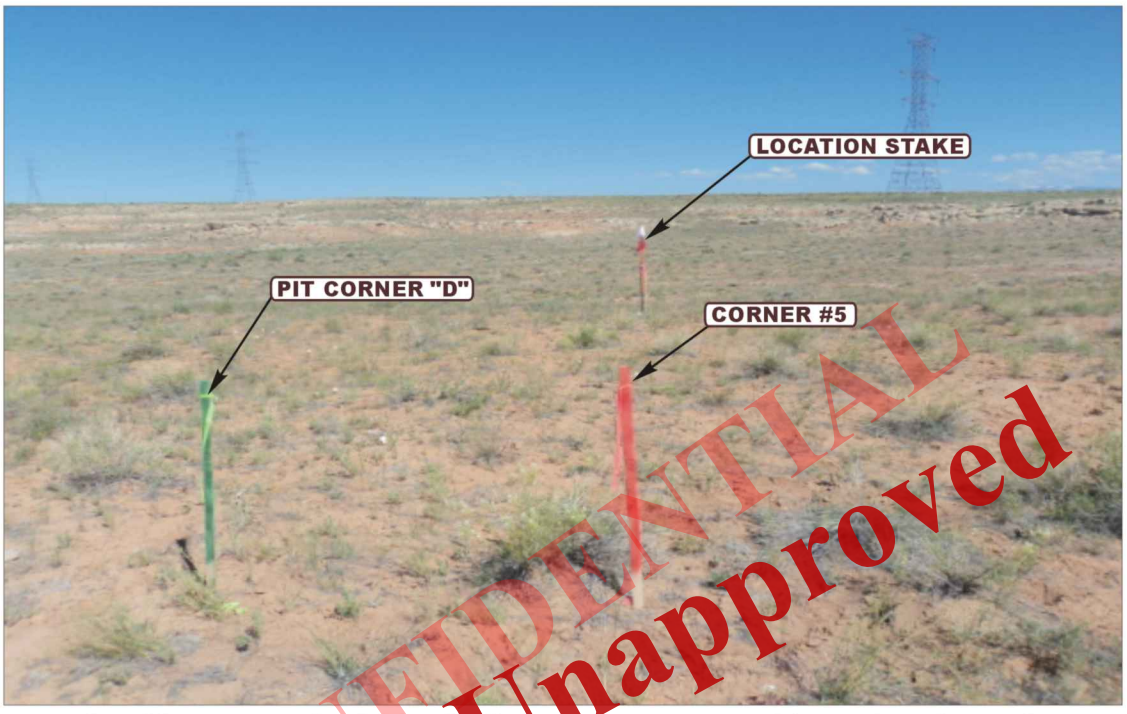


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE **CAMERA ANGLE: NORTHWESTERLY**

PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS **CAMERA ANGLE: EASTERLY**

- Since 1964 -
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

LOCATION PHOTOS	06 MONTH	12 DAY	13 YEAR	PHOTO
TAKEN BY: B.H.	DRAWN BY: S.O.	REVISED: 00-00-00		

Received: April 07, 2014

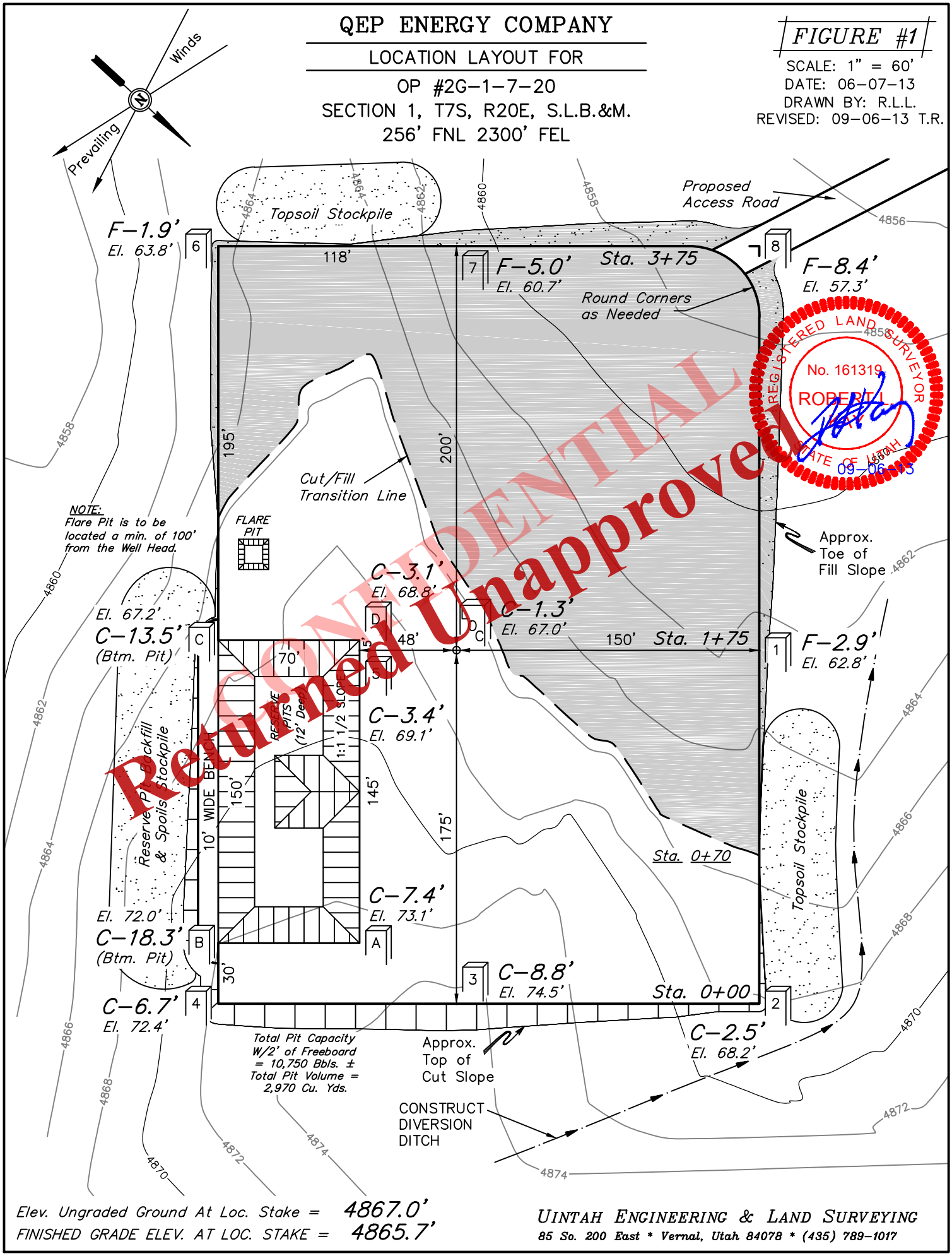
QEP ENERGY COMPANY

LOCATION LAYOUT FOR

OP #2G-1-7-20
SECTION 1, T7S, R20E, S.L.B.&M.
256' FNL 2300' FEL

FIGURE #1

SCALE: 1" = 60'
DATE: 06-07-13
DRAWN BY: R.L.L.
REVISED: 09-06-13 T.R.



Elev. Ungraded Ground At Loc. Stake = 4867.0'
FINISHED GRADE ELEV. AT LOC. STAKE = 4865.7'

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TYPICAL CROSS SECTIONS FOR

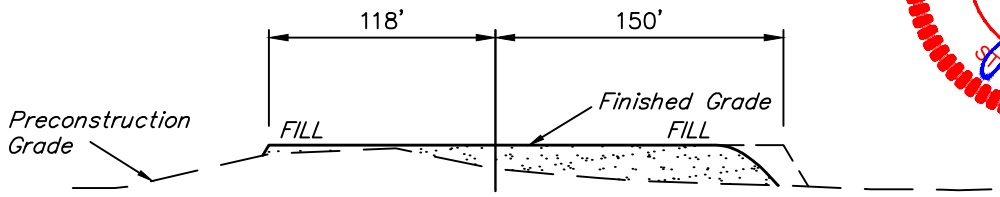
OP #2G-1-7-20
SECTION 1, T7S, R20E, S.L.B.&M.
256' FNL 2300' FEL

FIGURE #2

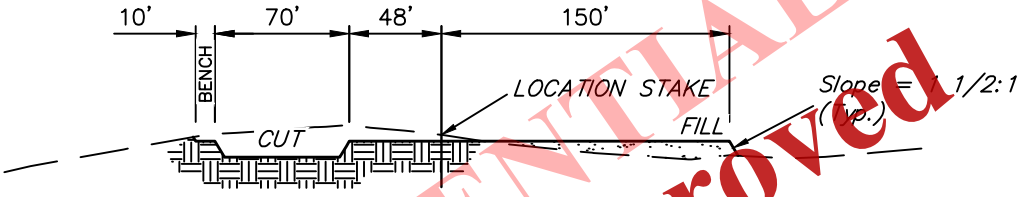
1" = 40'
X-Section Scale
1" = 100'

DATE: 06-07-13
DRAWN BY: R.L.L.

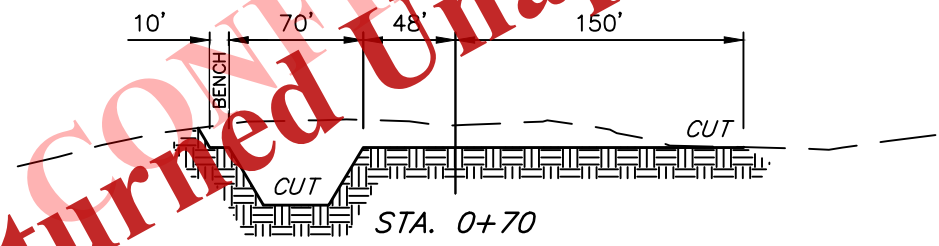
REGISTERED LAND SURVEYOR
No. 161319
ROBERT L. KAY
STATE OF UTAH
06-17-13



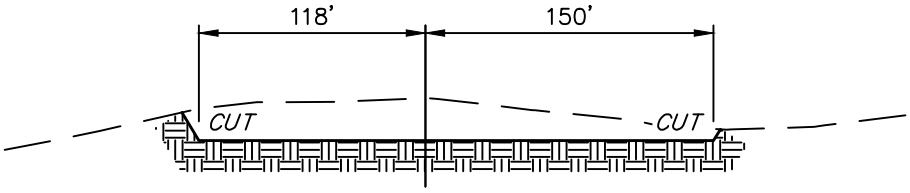
STA. 3+75



STA. 1+75



STA. 0+70



STA. 0+00

NOTE:
Topsoil should not be Stripped Below Finished Grade on Substructure Area.

APPROXIMATE ACREAGE

WELL SITE DISTURBANCE = ± 2.936 ACRES
ACCESS ROAD DISTURBANCE = ± 1.423 ACRES
PIPELINE DISTURBANCE = ± 1.428 ACRES
TOTAL = ± 5.787 ACRES

* *NOTE:*
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	*2,050* Cu. Yds.
Remaining Location	=	*9,420* Cu. Yds.
TOTAL CUT	=	*11,470* CU. YDS.
FILL	=	*7,930* CU. YDS.

EXCESS MATERIAL	=	*3,540* Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	*3,540* Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	=	*0* Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
*85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017*

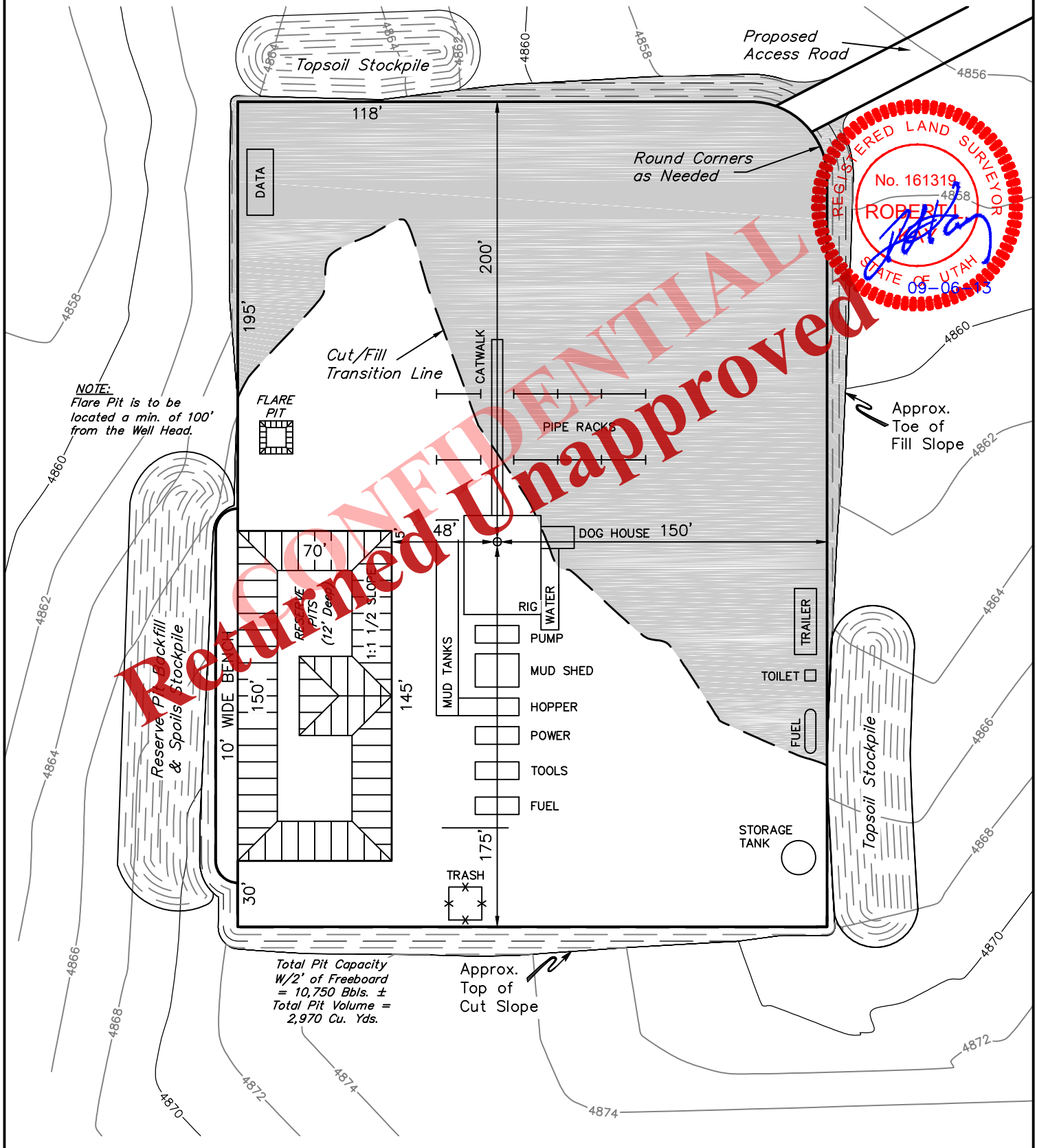
Received: April 07, 2014

QEP ENERGY COMPANY

TYPICAL RIG LAYOUT FOR

OP #2G-1-7-20
SECTION 1, T7S, R20E, S.L.B.&M.
256' FNL 2300' FEL

FIGURE #3
SCALE: 1" = 60'
DATE: 06-07-13
DRAWN BY: R.L.L.
REVISED: 09-06-13 T.R.



REGISTERED LAND SURVEYOR
No. 161319
ROBERT L.
STATE OF UTAH
09-06-13

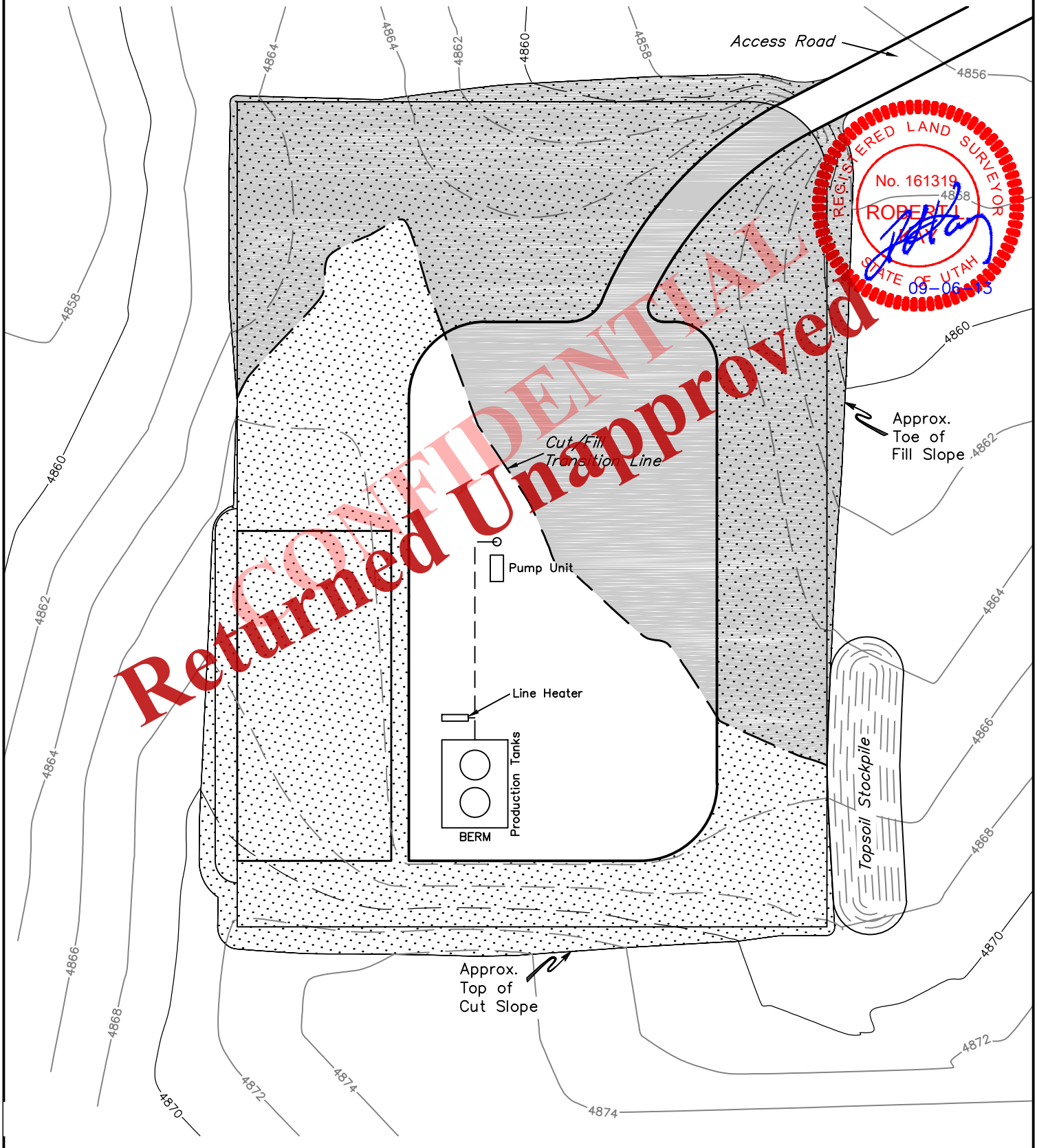
UINTAH ENGINEERING & LAND SURVEYING
*85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017*

QEP ENERGY COMPANY

PRODUCTION FACILITY LAYOUT FOR

OP #2G-1-7-20
SECTION 1, T7S, R20E, S.L.B.&M.
256' FNL 2300' FEL

FIGURE #4
SCALE: 1" = 60'
DATE: 06-07-13
DRAWN BY: R.L.L.
REVISED: 09-06-13 T.R.



RECLAIMED AREA

APPROXIMATE ACREAGE
UN-RECLAIMED = ± 0.830 ACRES

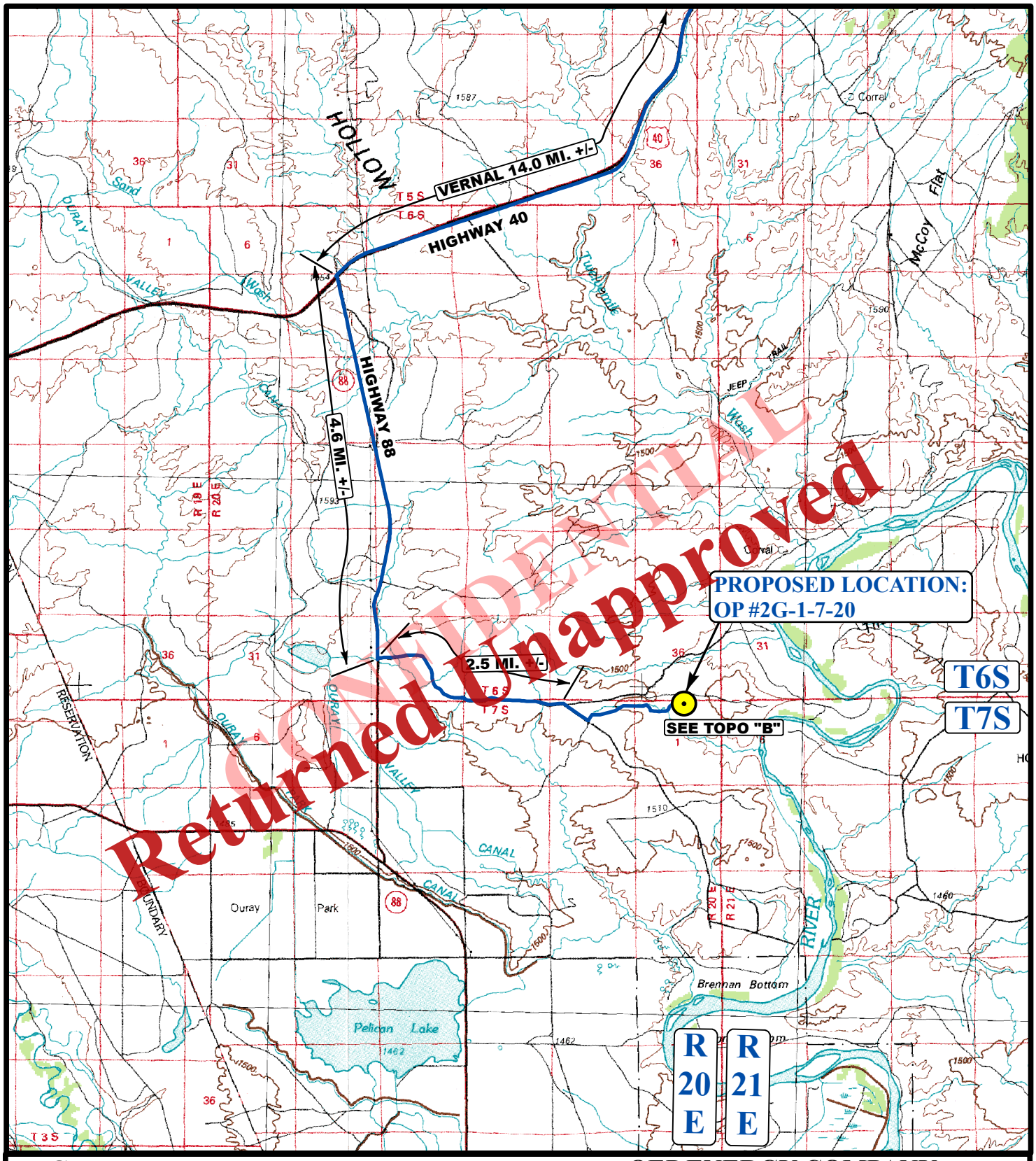
UINTAH ENGINEERING & LAND SURVEYING
*85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017*

QEP ENERGY COMPANY
OP #2G-1-7-20
SECTION 1, T7S, R20E, S.L.B.&M.

PROCEED IN A WESTERLY, THEN SOUTHWESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF HIGHWAY 40 AND STATE HIGHWAY 88 TO THE SOUTH; TURN LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 4.6 MILES TO THE JUNCTION OF STATE HIGHWAY 88 AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 2.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE OP #2G-2-7-20 TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY, THEN EASTERLY DIRECTION APPROXIMATELY 447' TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE OP #4G-1-7-20 TO THE SOUTHEAST; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY, THEN EASTERLY DIRECTION APPROXIMATELY 2,977' TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE OP #6G-1-7-20 TO THE EAST; FOLLOW ROAD FLAGS IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 658' TO THE BEGINNING OF THE PROPOSED ACCESS TO THE EAST; FOLLOW ROAD FLAGS IN AN EASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 2,066' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 22.8 MILES.

Received: April 07, 2014



LEGEND:

PROPOSED LOCATION

N

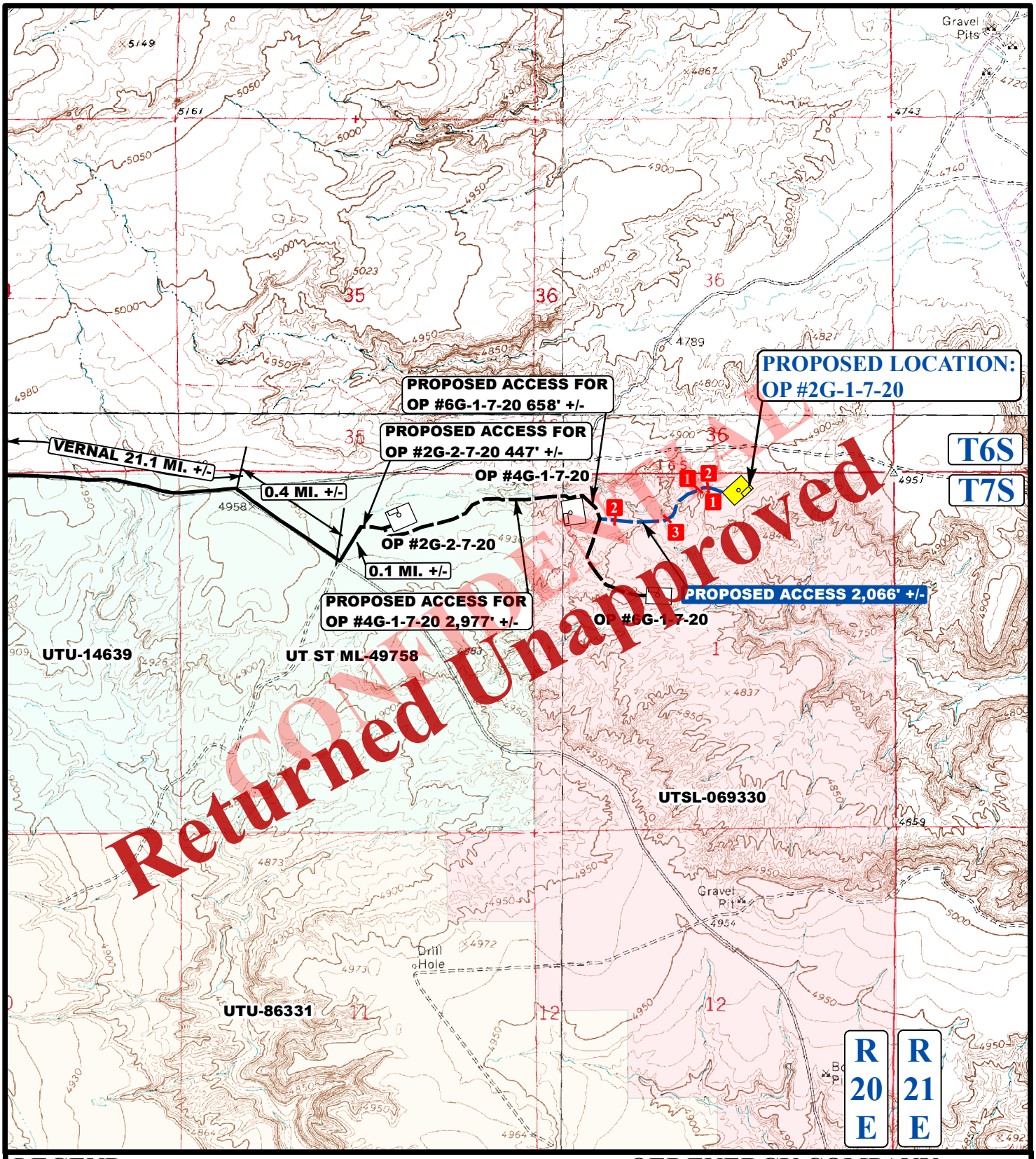
QEP ENERGY COMPANY

OP #2G-1-7-20
SECTION 1, T7S, R20E, S.L.B.&M.
256' FNL 2300' FEL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

ACCESS ROAD MAP	06 MONTH	12 DAY	13 YEAR	A TOPO
SCALE: 1:100,000	DRAWN BY: S.O.	REVISION: 00-00-00		

Received: April 07, 2014



LEGEND:

EXISTING ROADS

PROPOSED ACCESS ROAD

1 18" CMP REQUIRED

2 24" CMP REQUIRED

3 36" CMP REQUIRED

N

QEP ENERGY COMPANY

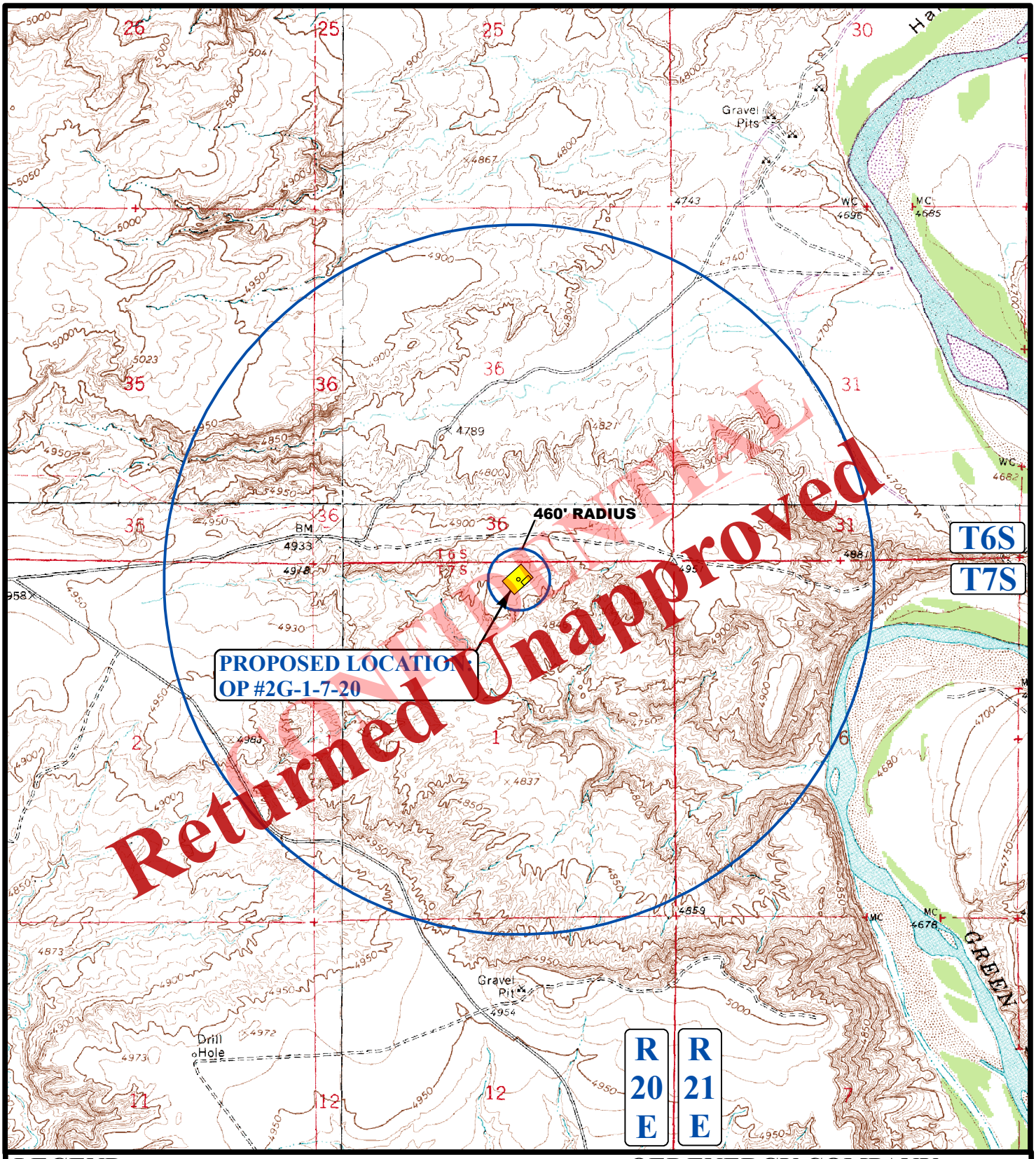
OP #2G-1-7-20
SECTION 1, T7S, R20E, S.L.B.&M.
256' FNL 2300' FEL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

ACCESS ROAD MAP | 06 MONTH | 12 DAY | 13 YEAR | B TOPO

SCALE: 1"= 2000' | DRAWN BY: S.O. | REVISION: 00-00-00

Received: April 07, 2014



LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- ABANDONED WELLS
- SHUT IN WELLS
- TEMPORARILY ABANDONED

N

QEP ENERGY COMPANY

OP #2G-1-7-20
SECTION 1, T7S, R20E, S.L.B.&M.
256' FNL 2300' FEL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	06 MONTH	12 DAY	13 YEAR
SCALE: 1"= 2000'	DRAWN BY: S.O.	REVISION: 00-00-00	C TOPO

Received: April 07, 2014

QEP ENERGY COMPANY

REFERENCE MAP: AREA OF VEGETATION

OP #2G-1-7-20

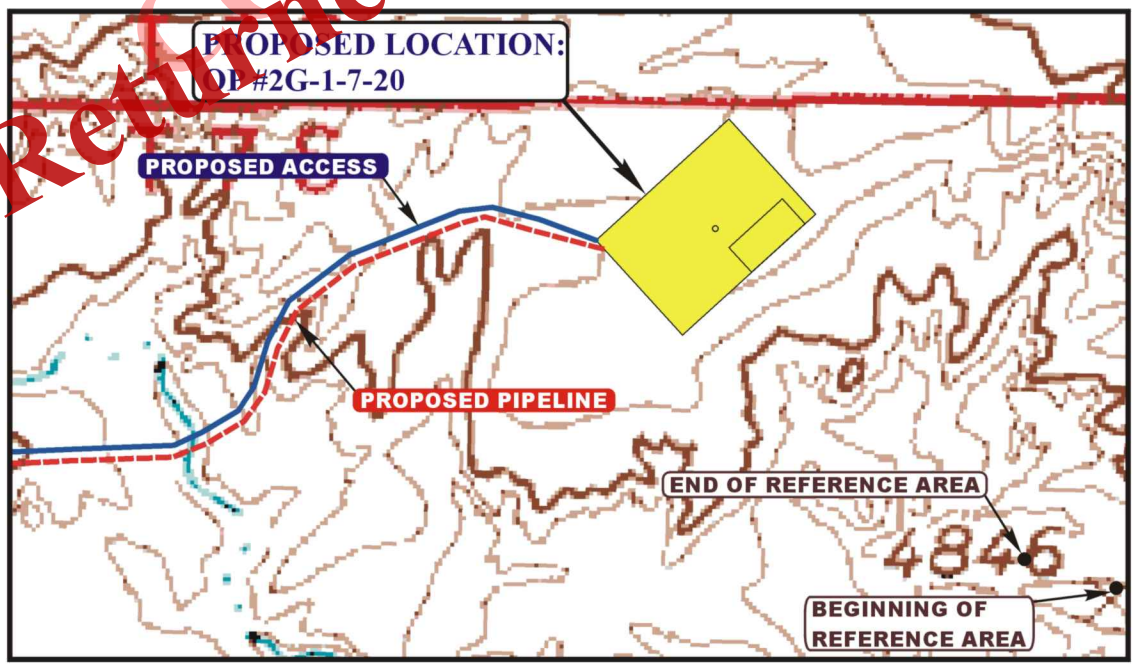
LOCATED IN UINTAH COUNTY, UTAH
SECTION 1, T7S, R20E, S.L.B.&M.

PHOTO: VIEW FROM BEGINNING OF REFERENCE AREA

NOTE:

BEGINNING OF REFERENCE AREA
NAD 83 Z12 UTM NORTHING: 14618905.028
NAD 83 Z12 UTM EASTING: 2027383.070
(NAD 83) LATITUDE: 40 .244807
(NAD 83) LONGITUDE: -109.613286

END OF REFERENCE AREA
NAD 83 Z12 UTM NORTHING: 14618964.036
NAD 83 Z12 UTM EASTING: 2027191.960
(NAD 83) LATITUDE: 40.244977
(NAD 83) LONGITUDE: -109.613968



- Since 1964 -
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

SCALE: 1" = 400'	09 MONTH	05 DAY	13 YEAR	REF.
TAKEN BY: B.H.	DRAWN BY: S.O.	REVISED: 00-00-00		

Received: April 07, 2014

QEP ENERGY COMPANY
OP 2G-1-7-20
LOT 2, SECTION 1, T7S, R20E
UINTAH COUNTY, UT
LEASE # UTU-88140

MULTI-POINT SURFACE USE & OPERATIONS PLAN

An onsite inspection was conducted for the OP 2G-1-7-20 on August 26, 2013. Weather conditions were sunny at the time of the onsite. In attendance at the inspection were the following individuals:

Kevin Sadlier	Bureau of Land Management
Dixie Sadlier	Bureau of Land Management
Jan Nelson	QEP Energy Company
Amanda Taylor	QEP Energy Company
Eric Wickersham	QEP Energy Company
Jeff Atwood	QEP Energy Company
Bart Hunting	Uintah Engineering & Land Surveying

1. **Existing Roads**:

See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.

The proposed well site is located approximately 23 miles southwest of Vernal, Utah. -See attached TOPO Map "A".

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

Existing roads will be maintained and repaired as necessary.

2. **Planned Access Roads**:

An off lease right-of-way is not required. The entire well pad and access road are located within lease UTU-88140.

There will be a new access road approximately 2,066' in length, 30' in width, containing approximately 1.423 acres.

New or reconstructed roads on BLM surface will be crowned (2 to 3%), ditched, and constructed with a running surface of 18 feet and a maximum disturbed width of 30 feet. Any additional disturbance required due to intersections or sharp curves will be discussed at the on-site and approved by the BLM/VFO AO. Graveling or capping the roadbed will be performed as necessary to provide a well constructed, safe road. Surface disturbance and vehicular traffic will be

Received: April 07, 2014

limited to the approved location and access route or, as proposed by the Operator. Prior to construction or upgrading, the proposed road shall be cleared of any snow and allowed to dry completely.

Access roads and surface disturbing activities will conform to standards outlined in the BLM and Forest Service publication: Surface Operating Standards for Oil and gas Exploration and Development, Fourth Edition 2006.

The road surface and shoulders will be kept in a safe and usable condition and will be maintained in accordance with the original construction standards. All drainage ditches and culverts will be kept clear and free-flowing and will be maintained according to original construction standards. The access road disturbed area will be kept free of trash during operations. All traffic will be confined to the approved road running surface. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause excess siltation or accumulation of debris in the drainage nor shall the drainage be blocked by the roadbed. If culverts are needed, the location and size of the culverts will be proposed during the on-site. The operator will clean and maintain approved culverts as needed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Should mud holes develop, the holes shall be filled in and detours around the holes avoided. When snow is removed from the road during the winter months, the snow should be pushed outside of the borrow ditches, and the turnouts kept clear so that snowmelt will be channeled away from the road.

Rock, Gravel and Culverts as needed.

Refer to Topo Map B for the location of the proposed access road.

3. Location of Existing Wells Within a 1-Mile Radius:

A map will be provided with the site-specific APD showing the location of existing wells within a one mile radius.

Please refer to Topo map C.

4. Location of Existing and Proposed Facilities:

The following guidelines will apply if the well is productive.

A containment dike will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks). These dikes will be constructed of compacted impervious subsoil; hold 110% of the capacity of the largest tank; and, be independent of the back cut. If a Spill Prevention, Control, and Countermeasure (SPCC) Plan is required by the

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Environmental Protection Agency, the containment dike may be expanded to meet SPCC requirements with approval by the BLM/VFO AO. The specific APD will address additional capacity if such is needed due to environmental concerns. The use of topsoil for the construction of dikes will not be allowed.

All loading lines will be placed inside the berm surrounding the tank batteries.

All permanent (on site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a color approved by the BLM.

It was determined on the onsite by the BLM VFO/AO that the facilities will be painted Covert Green.

5. Location and Type of Water Supply:

Fresh water will be obtained from Wonsits Valley water right # 49-251 (which was filed on May 7, 1964,) or Red Wash water right # 49-2153 (which was filed on March 25, 1960). It was determined by the Fish and Wildlife Service that any water right number filed before1989 is not depleting to the Upper Colorado River System, to supply fresh water for drilling purposes.

6. Source of Construction Materials:

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

7. Methods of Handling Waste Materials:

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids including salts and chemicals will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be used at the next drill site or will be removed and disposed of at an approved waste disposal facility within 6 months after drilling is terminated. Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

Unless specified in the site specific APD, the reserve pit will be constructed on the location and will not be located within natural drainages, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids. It was determined at the on-site inspection that a pit liner is necessary; the reserve pit will be lined with a synthetic reinforced liner, a minimum of 20 millimeters thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap will be disposed of in the pit.

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Reserve pit leaks are considered an undesirable event and will be orally reported to the AO.

Disposal of Produced Water:

After first production, produced wastewater will be confined to the approved pit or storage tank for a period not to exceed 90 days. During the 90 day period, in accordance with Onshore Order # 7, all produced water will be contained in tanks on location and then hauled to the West End Disposal located in the NESE, Section 28, T7S, R22E, or, the NBE 12SWD-10-9-23 Disposal located in NWSW, Section 10, T9S, R23E, or third-party surface evaporative pits.

Produced water, oil, and other byproducts will not be applied to roads or well pads for control of dust or weeds. The dumping of produced fluids on roads, well sites, or other areas will not be allowed.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site. The spills will be reported to the AO and other authorities as appropriate.

A chemical porta-toilet will be furnished with the drilling rig. The chemical porta-toilet wastes will be hauled to Ashley Valley Sewer and Water System for disposal.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. Trash will not be burned on location. All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig. All trash and waste material will be hauled to the Uintah County Landfill.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completing of wells. Furthermore, extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will not be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completing of wells within these areas. Specific APD's shall address any modifications from this policy.

8. **<u>Ancillary Facilities</u>**:

This will be an independent well location. Product will be contained in two 500 bbl tanks and then transported from location to delivery site. Future production facilities may be installed in order to centrally gather and process production from multiple wells on the same lease. The facilities will be removed at that time.

A suitable hospital muffler will be installed on pumping unit to help reduce noise

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control. The muffler on the pumping unit will be placed to the NW to face away from the river.

9. Well Site Layout:

A Location Layout Diagram describing drill pad cross-sections, cuts and fills, and locations of mud tanks, reserve pits, flare pit or flare box, pipe racks, trailer parking, spoil dirt stockpile(s), and the surface material stockpile(s) will be included with the site specific APD.

Please see the attached diagram rig orientation, parking areas, and access roads, as well as the location of the following:

The reserve pit.

The stockpiled topsoil (first six inches), will not be used for facility berms. All brush removed from the well pad during construction will be stockpiled with the topsoil.

The flare pit or flare box will be located downwind from the prevailing wind direction.

Any drainage that crosses the well location will be diverted around the location by using ditches, water diversion drains or berms. If deemed necessary at the on-site, erosion drains may be installed to contain sediments that could be produced from access roads and well locations.

10. Fencing Requirements:

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

All pits will be fenced according to the following minimum standards:

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

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All wire shall be stretched using a stretching device before it is attached to corner posts.

The reserve pit will be fenced on three (3) sides during drilling operations. The fourth side will be put in place when the rig moves off location. The pit will be fenced and maintained until it is backfilled. If drilling operations does not commence within 3 days, the fourth side of the fence will be installed.

11. Reclamation Plan:

Reclamation will follow QEP Energy Company, Uinta Basin Division's Reclamation Plan, September 2009 (QEP's Reclamation Plan) and the BLM Green River District Reclamation Guidelines.

All trash and debris will be removed from the disturbed area.

The disturbed area will be backfilled with subsoil.

Topsoil will be spread to an even, appropriate depth and disced if needed.

Water courses and drainages will be restored.

Erosion control devices will be installed where needed.

Seeding will be done in the fall, prior to ground freeze up.

Seed mix will be submitted to a BLM AO for approval prior to seeding.

Monitoring and reporting will be conducted as stated in QEP's Reclamation Plan.
Weed control will be conducted as stated in QEP's Reclamation Plan.

A reference site has been established and is included in this application.

Please see attached Weed Data Sheet.

Dry Hole/Abandoned Location:

On lands administered by the BLM abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions may include the reestablishment of irrigation systems; reestablishment of appropriate soil conditions; and, the reestablishment of vegetation as specified.

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All disturbed surfaces will be recontoured to approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment.

At final abandonment, the Operator will cap the casing with a metal plate a minimum of 0.25 inch thick. The cap will be welded in place and the well location and identity will be permanently inscribed on the cap. The cap will be constructed with a weep hole. The depth of the permanent cap will be determined at the time of final abandonment. Long-term reclamation will then be applied and will follow the reclamation process described in this plan. When reclamation is deemed successful by the Operator and the BLM, the Operator will request a bond release.

12. Surface Ownership:

The well pad and access road are located on lands owned by:

Bureau of Land Management
170 South 500 East
Vernal, UT 84078

13. Other Information:

Drilling rigs and/or equipment used during drilling operations will not be stacked or stored on Federal lands or State administered lands after the conclusion of drilling operations or at any other time without authorization by the BLM Authorized Officer. If BLM authorization is obtained, such storage is only a temporary measure.

A Class III archeological survey was conducted by Montgomery Archaeology Consultants. A copy of this report was submitted on July 10, 2013, **State of Utah Antiquities Report U-13-MQ-0468b** by Montgomery Archaeology Consultants. Cultural resource clearance has been recommended for this project.

A paleontological survey was conducted by Intermountain Paleo Consulting. A copy of this report was submitted on August 22, 2013, **Report No. IPC 13-61** by Stephen D. Sandau. Due to the number of fossils found during this survey, it is recommended that a permitted paleontologist be present to monitor the construction process of the well pad and access road. QEP Energy Company will provide paleo monitor for this project.

Per the onsite meeting on August 26, 2013, the following items were requested/discussed.

There is 6" topsoil.

Received: April 07, 2014

Lessee's or Operator's Representative & Certification:

Valyn Davis
Regulatory Affairs Analyst
QEP Energy Company
11002 East 17500 South
Vernal, UT 84078
(435) 781-4369

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

QEP Energy Company is considered to be the operator of the subject well. QEP Energy Company agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

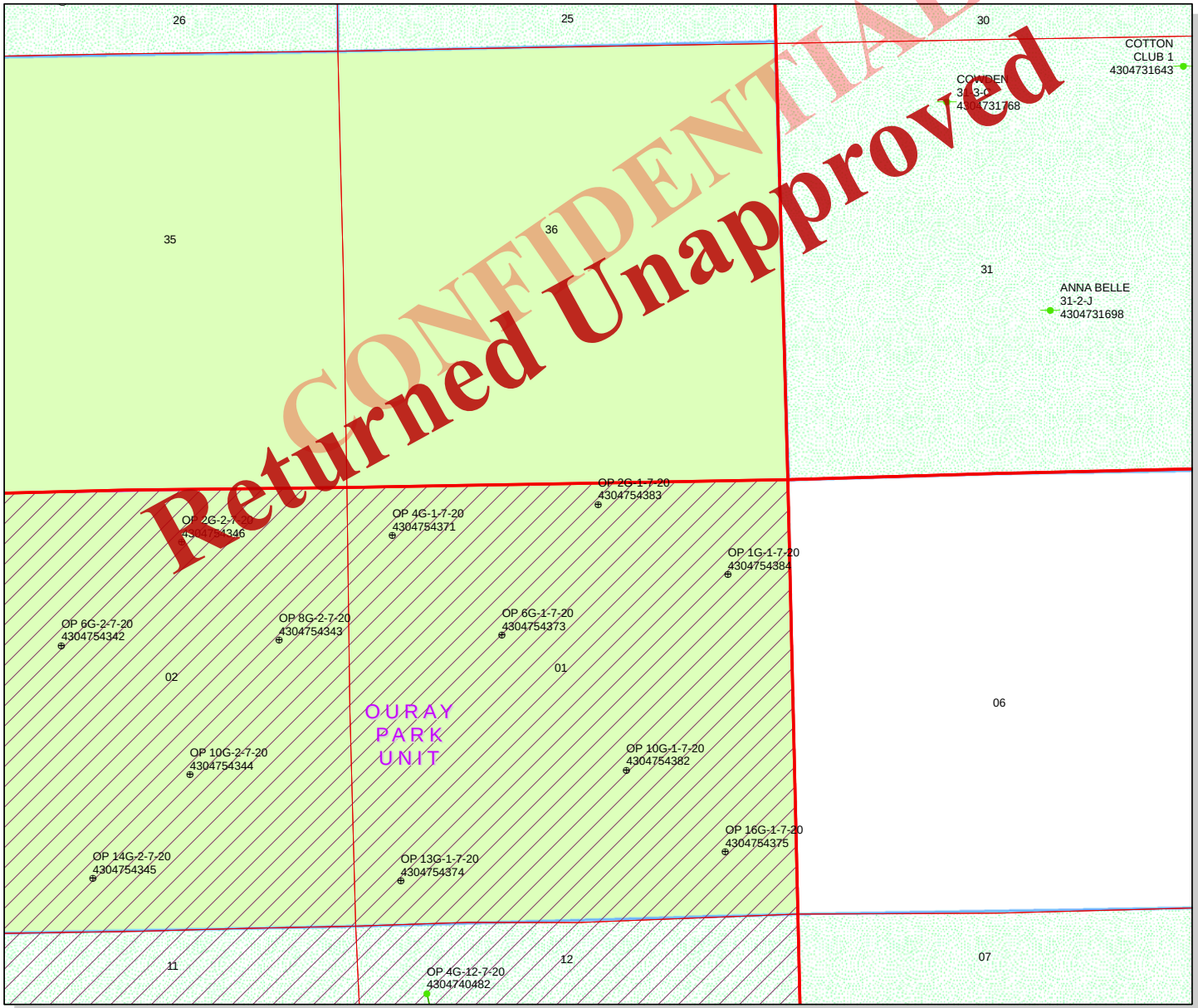
Bond coverage for lease activities is being provided by Bond No. 965010695

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist, that I have full knowledge of the State and Federal laws applicable to this operations, that the statements made in this plan are, to the best of my knowledge, true and correct, and the work associated with the operations proposed herein will be performed in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Valyn Davis

4/7/2014
Date

Received: April 07, 2014



API Number: 4304754383

Well Name: OP 2G-1-7-20

Township: T07.0S Range: R20.0E Section: 01 Meridian: S

Operator: QEP ENERGY COMPANY

Map Prepared: 4/9/2014
Map Produced by Diana Mason

Wells Query

Status

- APD - Aproved Permit
- DRL - Spuded (Drilling Commenced)
- GIW - Gas Injection
- GS - Gas Storage
- LOC - New Location
- OPS - Operation Suspended
- PA - Plugged Abandoned
- PGW - Producing Gas Well
- POW - Producing Oil Well
- SGW - Shut-in Gas Well
- SOW - Shut-in Oil Well
- TA - Temp. Abandoned
- TW - Test Well
- WDW - Water Disposal
- WIW - Water Injection Well
- WSW - Water Supply Well

Units

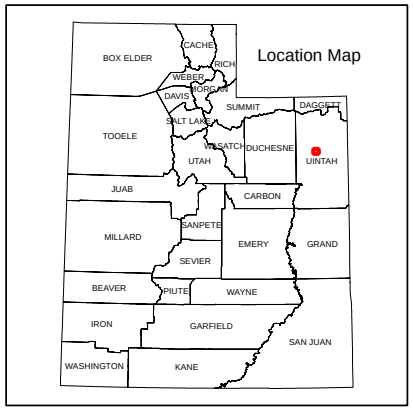
STATUS

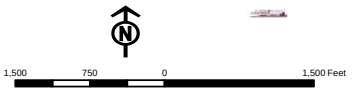
- ACTIVE
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Fields

STATUS

- Unknown
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- STORAGE
- TERMINATED





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Received: April 09, 2014

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
440 West 200 South, Suite 500
Salt Lake City, UT 84101

IN REPLY REFER TO:
3160
(UT-922)

March 16, 2015

Memorandum

To: Assistant Field Office Manager Minerals,
Vernal Field Office

From: Michael Coulthard, Petroleum Engineer

Subject: 2015 Plan of Development Ouray Park II Unit,
Uintah County, Utah.

Pursuant to email between Diana Mason, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2015 within the Ouray Park II Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION
(Proposed PZ Green River - Wasatch)		
43-047-54369	OP 2G-10-7-20	Sec 10 T07S R20E 0600 FNL 2194 FEL
43-047-54383	OP 2G-1-7-20	Sec 01 T07S R20E 0256 FNL 2300 FEL
43-047-54384	OP 1G-1-7-20	Sec 01 T07S R20E 1137 FNL 0748 FEL BHL Sec 01 T07S R20E 0660 FNL 0660 FEL

Our records indicate the 2G-1-7-20 is closer than 460 feet from the Ouray Park II Unit boundary.

We have no objections to permitting the wells so long as the unit operator receives an exception to the locating and siting requirements of the State of Utah (R649-3-2).

Michael Coulthard

Digitally signed by Michael Coulthard
DN: cn=Michael Coulthard, o=Bureau of Land Management, ou=Division of Minerals, email=mcoultha@blm.gov, c=US
Date: 2015.03.16 12:49:32 -06'00'

bcc: File - Ouray Park II
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:3-16-15

Received: March 17, 2015

QEP Energy Company

Company Name: QEP ENERGY (UT)

Azimuths to True North
Magnetic North: 10.74°
Magnetic Field
Strength: 52120.3snT
Dip Angle: 65.95°
Date: 8/26/2014
Model: IGRF2010

Project: Ouray Park
Site: S12-T7S-R20E
Well: OP 1G-12-7-20
Wellbore: Original Wellbore
Design: Plan ver.0

WELL DETAILS: OP 1G-12-7-20

Ground Level: 4973.70

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
0.00	0.00	7257921.600	2168027.190	40.229571	-109.610143	

REFERENCE INFORMATION

Co-ordinate (N/E) Reference: Well OP 1G-12-7-20, True North
Vertical (TVD) Reference: RKB @ 4996.28usft (SST 8)
Section (VS) Reference: Slot (0.00N, 0.00E)
Measured Depth Reference: RKB @ 4996.28usft (SST 8)
Calculation Method: Minimum Curvature

PROJECT DETAILS: Ouray Park

Geodetic System: US State Plane 1983
Datum: North American Datum 1983
Ellipsoid: GRS 1980
Zone: Utah Central Zone

System Datum: Mean Sea Level

DESIGN TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
OP 1G-12-7-20 - 400ft Target	5500.00	609.14	-28.49	7258529.950	2167985.840	Rectangle (Sides: L400.00 W400.00)
OP 1G-12-7-20	9839.00	609.14	-28.49	7258529.950	2167985.840	Point

SECTION DETAILS

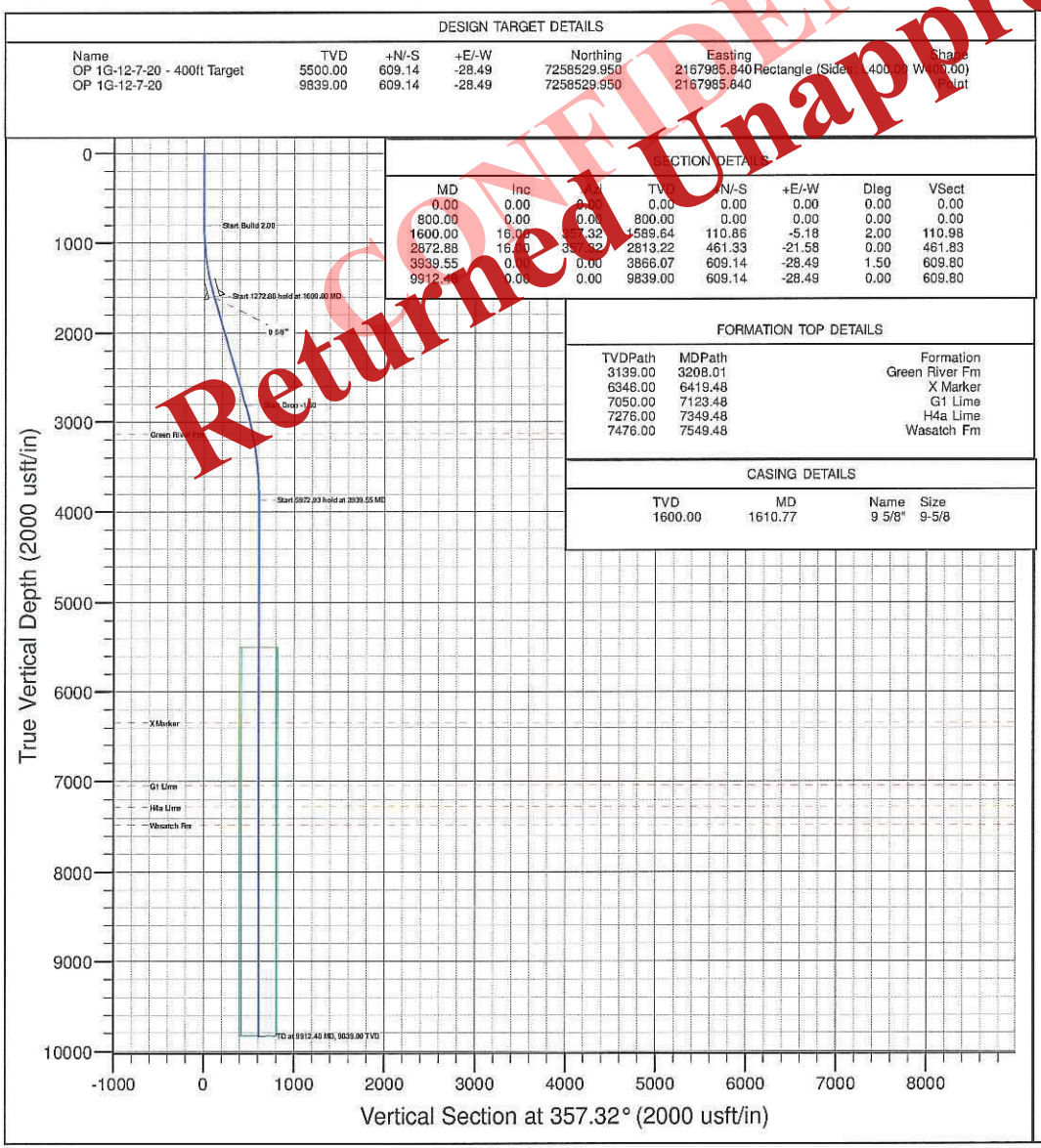
MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	VSect
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00
1600.00	16.00	357.32	1589.64	110.86	-5.18	2.00	110.98
2872.88	16.00	357.32	2813.22	461.33	-21.58	0.00	461.83
3939.55	0.00	0.00	3866.07	609.14	-28.49	1.50	609.80
9912.48	0.00	0.00	9839.00	609.14	-28.49	0.00	609.80

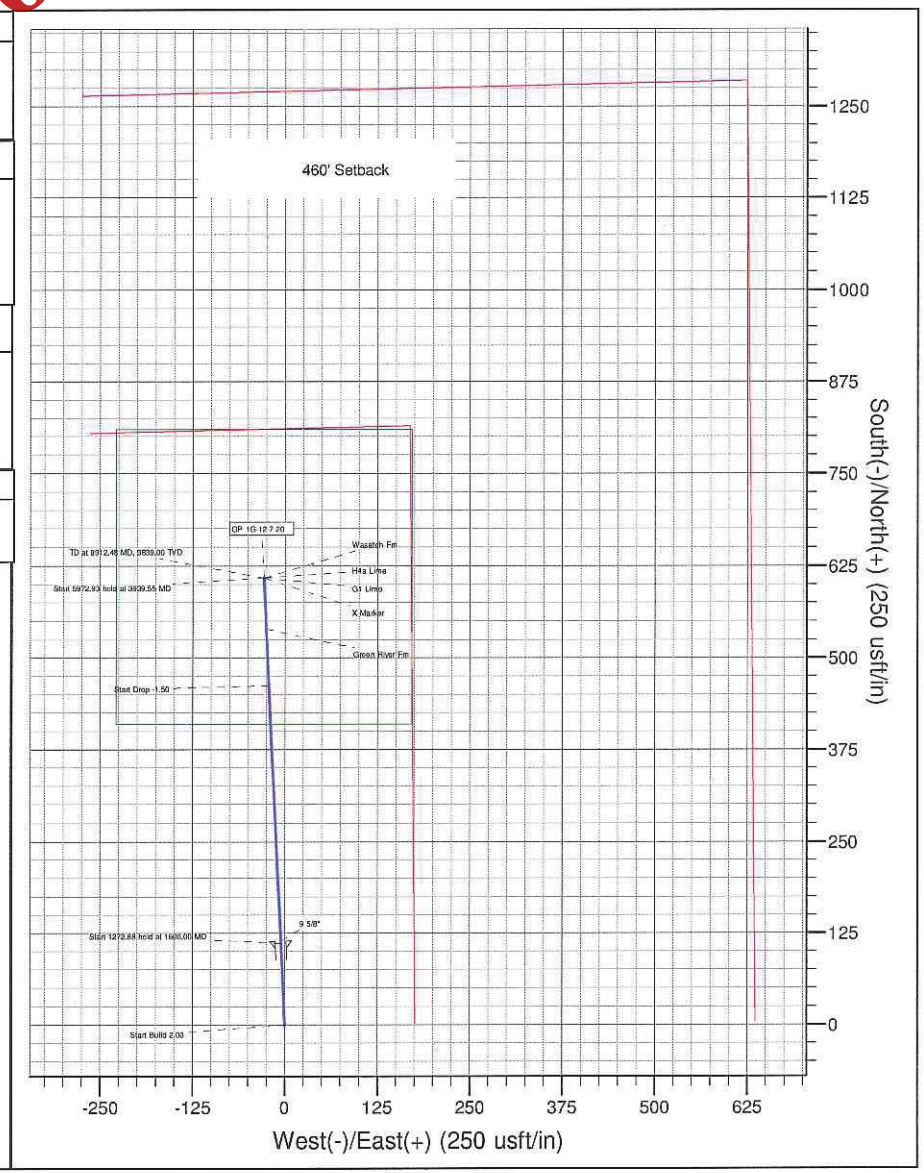
FORMATION TOP DETAILS

TVDPath	MDPath	Formation
3139.00	3208.01	Green River Fm
6346.00	6419.48	X Marker
7050.00	7123.48	G1 Lime
7276.00	7349.48	H4a Lime
7476.00	7549.48	Wasatch Fm

CASING DETAILS

TVD	MD	Name	Size
1600.00	1610.77	9 5/8"	9-5/8





GARY R. HERBERT
Governor
SPENCER J. COX
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
MICHAEL R. STYLER
Executive Director
Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

March 17, 2015

QEP ENERGY COMPANY
11002 East 17500 South
Vernal, Ut 84078

Re: Application for Permit to Drill - UINTAH County, Utah

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the OP 2G-1-7-20 well, API 43047543830000 that was submitted April 07, 2014 is being returned unapproved. If you plan on drilling this well in the future, you must first submit a new application.

Should you have any questions regarding this matter, please call me at (801) 538-5312.

Sincerely,

Diana Mason
Environmental Scientist

Enclosure
cc: Bureau of Land Management, Vernal, Utah

RECEIVED

APR 07 2014

BLM Vernal UT

Form 3160-3
(August 2007)

FORM APPROVED
OMB No. 1004-0136
Expires July 31, 2010

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
UTU88140

6. If Indian, Allottee or Tribe Name

1a. Type of Work: ☒ DRILL ☐ REENTER

CONFIDENTIAL

7. If Unit or CA Agreement, Name and No.

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☒ Multiple Zone

8. Lease Name and Well No.
OP 2G-1-7-20

2. Name of Operator
QEP ENERGY COMPANY

Contact: VALYN DAVIS
E-Mail: valyn.davis@qepres.com

9. API Well No.
43-047-54383

3a. Address
11002 EAST 17500 SOUTH
VERNAL, UT 84078

3b. Phone No. (include area code)
Ph: 435-781-4369

10. Field and Pool, or Exploratory
BRENNAN BOTTOM

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*

At surface Lot 2 256FNL 2300FEL 40.246853 N Lat, 109.616272 W Lon

At proposed prod. zone Lot 2 256FNL 2300FEL 40.246853 N Lat, 109.616272 W Lon

11. Sec., T., R., M., or Blk. and Survey or Area
Sec 1 T7S R20E Mer SLB

14. Distance in miles and direction from nearest town or post office*
23 MILES +/- SOUTH OF VERNAL, UT

12. County or Parish
UINTAH

13. State
UT

15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
256'

16. No. of Acres in Lease
1201.00

RECEIVED
NOV 20 2014

17. Spacing Unit dedicated to this well
40.00

18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.
2000'+

19. Proposed Depth
7800 MD
7800 TVD

DIV. OF OIL, GAS & MINING

20. BLM/BIA Bond No. on file
ESB000024

21. Elevations (Show whether DF, KB, RT, GL, etc.
4867 GL

22. Approximate date work will start
08/01/2014

23. Estimated duration
7 DAYS

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature	Name (Printed/Typed)	Date
(Electronic Submission)	VALYN DAVIS Ph: 435-781-4369	04/07/2014

Title
REGULATORY AFFAIRS ANALYST

Approved by (Signature)	Name (Printed/Typed)	Date
	Jerry Kenczka	NOV 10 2014
Title: Assistant Field Manager Lands & Mineral Resources	Office: VERNAL FIELD OFFICE	

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

CONDITIONS OF APPROVAL ATTACHED

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Electronic Submission #241344 verified by the BLM Well Information System
For QEP ENERGY COMPANY, sent to the Vernal
Committed to AFMSS for processing by ROBIN R. HANSEN on 04/10/2014 ()

NOTICE OF APPROVAL

UDOGM

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

NOS posted 6/28/13

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE
170 South 500 East VERNAL, UT 84078 (435) 781-4400

CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:	**QEP ENERGY COMPANY**	**Location:**	**LOT 2 SEC 01 T07S R20E**
Well No:	**OP 2G-1-7-20**	**Lease No:**	**UTU88140**
API No:	**43-047-54383**	**Agreement:**	

OFFICE NUMBER: (435) 781-4400

OFFICE FAX NUMBER: (435) 781-3420

A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

Location Construction (Notify Environmental Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings to: blm_ut_vn_opreport@blm.gov
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)

This decision is contingent on meeting all stipulations and monitoring requirements listed below, which were designed to minimize and/or avoid impacts.

Air Quality:

- QEP will keep all internal combustion equipment in good working order.
- QEP will use dust suppressants such as water or other approved suppressants at construction sites and along roads, as determined appropriate by the Authorized Officer (AO).
- QEP will not conduct open burning of garbage or refuse at well sites or other facilities.
- QEP will install low-bleed pneumatics on separator dump valves and other controllers, which will result in lower VOC emissions.
- QEP will limit flaring as much as possible during completion. Production equipment and gathering lines will be installed as soon as possible.
- QEP will utilize well site telemetry as feasible for production operations.
- Drill rigs will be equipped with Tier II or better diesel engines.

Erosion Control:

- QEP will construct well pads and facility sites to prevent overland flow of water from entering or leaving sites through the use of berms, terraces, and grading depressions (BLM 2008c).
- Diversion ditches constructed to reroute drainages around well pads will be designed to divert the water back to the original channel. If the water cannot be diverted back to the original channel, then the water will be diverted to the nearest channel with energy dissipating devices installed to prevent channel degradation (BLM 2008c).
- Planned access roads and surface-disturbing activities will conform to standards outlined in the BLM and Forest Service publication: *Surface Operating Standards for Oil and Gas Development, Gold Book 4th Edition* (USDI and USDA 2007) (BLM 2008c).

Visual Resources

- Based on site-specific recommendations from the AO, surface equipment will be painted to blend in with the surroundings. Additionally, all surface equipment on a site (well pad, central tank facility, compressor station) will be painted the same color unless otherwise specified by OSHA (Occupational Safety and Health Administration) (BLM 2008c). The paint color identified during the onsite inspection is Covert Green (BLM 2013).
- QEP will avoid, where feasible, the placement of facilities on hilltops or along ridgelines in visually sensitive areas classified as VRM Class III or higher. If facilities are not relocated off ridgelines or hilltops in visually sensitive areas, QEP will consider the use of tanks with a smaller height as directed by the AO (BLM 2008c).
- QEP will avoid the construction of straight-line access roads. Where feasible, access roads will be constructed to follow the natural contours of the landscape (BLM 2008c).

Vegetation:

- QEP will monitor and control noxious and invasive weeds along access road use authorizations, pipeline route authorizations, well sites, or other applicable facilities by spraying or mechanical removal. On BLM-administered land, a Pesticide Use Proposal will be submitted and approved prior to the application of herbicides, pesticides, or other hazardous chemical (BLM 2008c).
- QEP will work with the AO to monitor the success of interim and final reclamation. QEP and the AO will perform regular inspections on chosen sites reclaimed two years prior. The two-year gap will allow the seed to become established and give the vegetation two full growing seasons for a better measure of success. If QEP and the AO determine the reclamation is not trending in the right direction, remediation will be considered.
- Power washing of all construction and drilling equipment will occur prior to the equipment entering the project area from outside the VFO area (BLM 2008c).
- QEP will avoid placement of roads, pipelines, well pads, and ancillary facilities within 100 meters of riparian habitats. If avoidance is not feasible, then effects to riparian habitat will be minimized where possible (BLM 2008c).

Wildlife – General:

- QEP has committed to construct a containment dike completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks). These dikes will be constructed of compacted impervious subsoil, hold 110% of the capacity of the largest tank, and be independent of the back cut (BLM 2008b).

Wildlife – Raptors:

- No construction and development activities will occur within 0.25 mile of burrowing owl nests between March 1 and August 31 (BLM 2008b).
- No construction and development activities will occur within 1.0 mile of bald eagle nests between January 1 and August 31 (BLM 2008b).
- If other raptor nests are identified in the Project Area, the protective buffers and timing limitations from the Approved RMP will apply (BLM 2008b).
- Unless otherwise agreed to by the AO in writing, power lines shall be constructed in accordance with the standards outlined in *Suggested Practices for Raptor Protection on Power Lines, (APLIC 1996). QEP will construct power lines in accordance with these standards or will assume the burden and expense of proving pole designs not shown in the referenced publication are "raptor safe". A raptor expert acceptable to the AO shall provide such proof (BLM 2008c).*
- As directed by the AO, QEP will place raptor perch guards on power line poles in areas near sensitive wildlife habitat areas such as sage-grouse leks and prairie dog towns (BLM 2008c).
- Artificial nest platforms will be constructed as directed by the AO within the project area in order to mitigate any unavoidable losses of potential, natural nesting areas (BLM 2008c)

Cultural Resources:

- Equipment operators will be informed that if a cultural site is uncovered during construction, activities in the vicinity will immediately cease and the AO will be notified (BLM 2008c).

Paleontological Resources:

- QEP has committed to provide a certified paleontological monitor to monitor construction of proposed development at the following locations where scientifically important fossils were identified during surveys:
    - OP 1G-1-7-20 - monitor construction for well pad, access road, and pipeline
    - OP 1G-10-7-20 - monitor construction for well pad, access road, and pipeline
    - OP 2G-1-7-20 - monitor construction for well pad, access road, and pipeline
    - OP 6G-1-7-20 - monitor construction for well pad, access road, and pipeline
    - OP 10G-1-7-20 - monitor construction for well pad, access road, and pipeline
    - OP 13G-11-7-20 – monitor construction for access road and pipeline
    - OP 16G-1-7-20 – monitor beginning of the construction process and thereafter spot monitor
    - CPFs 1 and 2 – monitor construction for pads, access roads, power lines, and pipelines
    - Section 14 - monitor construction for pipelines and power lines
- If paleontological resources are uncovered during ground disturbing activities, QEP will suspend all operations that would further disturb such materials and will immediately contact BLM's AO, who would arrange for a determination of significance and, if necessary, recommend a recovery or avoidance plan (BLM 2008c)

DOWNHOLE PROGRAM
CONDITIONS OF APPROVAL (COAs)

SITE SPECIFIC DOWNHOLE COAs:

1. To effectively protect useable water, cement for the long string is required to be brought 200 feet above the surface casing shoe.
2. Cement for Production string shall be tested for a minimum compression strength of 500 psi.
3. A CBL shall be run from TD to Surface

Variances
Requests for variances from O.O 2.E for Air Drilling are approved as written in APD

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.

- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.

- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.

- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

- **Please submit an electronic copy of all other logs run on this well in CD (compact disc) format to the Vernal BLM Field Office. This submission will supersede the requirement for submittal of paper logs to the BLM.**

- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.

- For information regarding production reporting, contact the Office of Natural Resources Revenue (ONRR) at www.ONRR.gov.

- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:

    - Operator name, address, and telephone number.

    - Well name and number.

    - Well location (¼¼, Sec., Twn, Rng, and P.M.).

    - Date well was placed in a producing status (date of first production for which royalty will be paid).

    - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or

natural gas and entrained liquid hydrocarbons).

- The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
- Unit agreement and/or participating area name and number, if applicable.
- Communitization agreement number, if applicable.

- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.

- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.

- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.

- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.

- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.

- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.

- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval

of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.

- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
SEP 18 2016
BLM VERNAL UTAH

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

5. Lease Serial No.
UTU88140

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
UTU90211X

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
OP 2G-1-7-20

2. Name of Operator
QEP ENERGY COMPANY
Contact: JAN NELSON
E-Mail: jan.nelson@qepres.com

9. API Well No.
43-047-54383

3a. Address
11002 E 17500 S
VERNAL, UT 84078

3b. Phone No. (include area code)
Ph: 435-781-4331
Fx: 435-781-4395

10. Field and Pool, or Exploratory
BRENNAN BOTTOM

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 1 T7S R20E Mer SLB 256FNL 2300FEL

11. County or Parish, and State
UINTAH COUNTY, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Change to Original A PD
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

QEP ENERGY COMPANY HEREBY REQUESTS A TWO YEAR EXTENSION FOR THE APD ON THE ABOVE CAPTIONED WELL.

BLM APPROVAL DATE: 11/10/2014 11/9/18

Nepa expires 10/23/19

RECEIVED
JAN 17 2017
DIV. OF OIL, GAS & MINING

VERNAL FIELD OFFICE
ENG. BK 12/19/16
GEOL.
E.S.
PET.
RECL.

CONDITIONS OF APPROVAL ATTACHED

Recommend Approval

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #355175 verified by the BLM Well Information System
For QEP ENERGY COMPANY, sent to the Vernal
Committed to AFMSS for processing by C. BETH HAMANN on 10/19/2016 ()

Name *(Printed/Typed)* JAN NELSON — Title PERMIT AGENT

Signature (Electronic Submission) — Date 10/18/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By — Title Assistant Field Manager Lands & Mineral Resources — Date DEC 22 2016

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office VERNAL FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

UDOGM

17CBH0138SE

CONDITIONS OF APPROVAL

QEP ENERGY COMPANY

Notice of Intent
APD Extension

Lease: UTU-88140
Well: OP 2G-1-7-20 (API: 43-047-54383)
Location: Sec 1-T7S-R20E

An extension for the referenced APD is granted as requested with the following conditions:

---

1. The extension and APD shall expire on 11/9/2018.

2. No other extension shall be granted.

If you have any other questions concerning this matter, please contact Rachel Knell of this office at (435) 781-4419.